

**CITY OF ANTLERS
PUSHMATAHA COUNTY, OKLAHOMA**

**AUDITORS' REPORT
AND
FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED
JUNE 30, 2021**

*WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA*

**CITY OF ANTLERS
PUSHMATAHA COUNTY, OKLAHOMA
CITY COUNCIL AND OFFICERS**

Michael Riser
Madge Gentry
Athelta Harmon
Charlie Deupree
Mike Baggett

Mayor
Vice Mayor
Councilmember
Councilmember
Councilmember

Michael Taylor

City Manager

Sherry Dobbs

City Clerk/Treasurer

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INDEPENDENT AUDITOR'S REPORT

To the City of Antlers Council
City of Antlers, Oklahoma

Report on the Financial Statements

We have audited the accompany financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Antlers, State of Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Antlers, State of Oklahoma's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and qualified audit opinions.

City of Antlers
March 2, 2022

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Government-Wide Statements	Qualified
Business-Type Activities	Unmodified
General Fund	Unmodified

Basis for Qualified Opinion on Government-Wide Statements.

Management has not presented a prescribed presentation of Pension assets and liabilities on both the face of the financial statements and the notes to the financial statements. The amount by which this departure would affect the assets, fund balance, and revenues of the General Fund has not been determined. Additionally, this item affects the presentation of deferred inflow and/or outflows.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Government-Wide Statements” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the General Fund of the City of Antlers, State of Oklahoma, as of June 30, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund other than the General Fund, and the aggregate remaining fund information of the City of Antlers, State of Oklahoma, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages, (MD& A Omitted), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

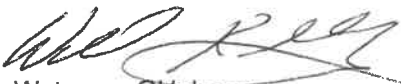
We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

City of Antlers
March 2, 2022

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Antlers, State of Oklahoma's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them. Other Reporting Required by Government Auditing Standards In accordance with Government Auditing Standards, we have also issued our report dated February 14, 2022, on our consideration of the City of Antlers, State of Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Antlers, State of Oklahoma State of Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Antlers, State of Oklahoma's internal control over financial reporting and compliance.



Watonga, Oklahoma
March 2, 2022

**GOVERNMENT-WIDE
STATEMENTS**

CITY OF ANTLERS, OKLAHOMA
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 924,409	\$ 348,713	\$ 1,273,122
Due from Governmental Fund	-	-	-
Taxes Receivable	130,886	-	130,886
Accounts Receivable	-	120,540	120,540
Total Current Assets	<u>1,055,296</u>	<u>469,253</u>	<u>1,524,549</u>
Non-current Assets:			
Restricted Cash	252,151	493,334	745,485
Restricted Debt Service	-	148,138	148,138
	-	-	-
Capital Assets (Note 4)			
Land, infrastructure	81,722	504,667	586,389
Capital assets, net of depreciation	<u>3,989,751</u>	<u>16,303,082</u>	<u>20,292,833</u>
Total Non-Current Assets	<u>4,323,625</u>	<u>17,449,220</u>	<u>21,772,845</u>
Total Assets	<u><u>5,378,920</u></u>	<u><u>17,918,474</u></u>	<u><u>23,297,394</u></u>
LIABILITIES			
Current Portion of Long-Term Debt	-	285,736	285,736
Current Portion of Bonds Payable	-	160,000	160,000
Due to Other Funds/Governments	65,444	-	65,444
Due to Depositors	-	54,320	54,320
Compensated Absences	<u>28,179</u>	<u>11,822</u>	<u>40,001</u>
Total Current Liabilities	<u>93,623</u>	<u>511,878</u>	<u>605,501</u>
Long-term Liabilities (Note 6)	-	3,968,491	3,968,491
Long-Term Portion of Bonds Payable	-	522,000	522,000
Less: Current Portion of Long-Term, Debt	-	<u>(285,736)</u>	<u>(285,736)</u>
Total Liabilities	<u>93,623</u>	<u>4,716,633</u>	<u>4,810,256</u>
NET POSITION			
Invested in capital assets, net of related debt	4,071,473	12,317,257	16,388,731
Restricted	252,151	587,152	839,303
Unrestricted	961,673	297,432	1,259,104
Total Net Position	<u><u>\$ 5,285,297</u></u>	<u><u>\$ 13,201,840</u></u>	<u><u>\$ 18,487,138</u></u>

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See accompanying notes to the basic financial statements.

CITY OF ANTLEERS, OKLAHOMA
Statement of Activities
For the Fiscal Year Ended June 30, 2021

Functional Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets		
	Charges for		Operating		Capital		Governmental	Business-Type
	Expenses	Services	Grants and	Contributions			Activities	Activities
								Total
Primary Government:								
Governmental Activities:								
General Government	\$ 1,100,014	\$ 1,211	\$ -	\$ -	-	\$ (1,098,803)	\$ -	\$ (1,098,803)
Public Safety	919,736	761,913	4,826	237,612	-	84,616	-	84,616
Airport	27,767	13,817	-	616,484	-	602,534	-	602,534
Cemetery	49,739	13,228	-	-	-	(36,512)	-	(36,512)
Street and Alley	284,571	-	-	-	-	(284,571)	-	(284,571)
Culture, Parks and Recreation	157,033	1,474	22,672	-	-	(132,887)	-	(132,887)
Depreciation-Unallocated	231,307	-	-	-	-	(231,307)	-	(231,307)
Total governmental activities	2,770,167	791,642	27,498	854,097	-	(1,096,930)	-	(1,096,930)
Business-Type Activities:								
Water	823,161	883,881	-	-	-	-	60,720	60,720
Sewer	376,573	356,699	-	-	-	-	(19,873)	(19,873)
Sanitation	157,755	199,594	-	-	-	-	41,840	41,840
Administrative and Operations	115,144	-	-	-	-	-	(115,144)	(115,144)
Industrial Trust Authority	72,346	61,385	-	-	-	-	(10,960)	(10,960)
Total business-type activities	1,544,978	1,501,560	-	-	-	-	(43,418)	(43,418)
Total Primary Government	4,315,145	2,293,202	27,498	854,097		(1,096,930)	(43,418)	(1,140,348)

General Revenues:

Taxes:								
Sales, Tobacco and Other Tax	1,750,239	-	-	-	-	1,750,239	-	1,750,239
Use Tax	229,109	-	-	-	-	229,109	-	229,109
Franchise Tax	68,842	-	-	-	-	68,842	-	68,842
E-911 Taxes, Restricted for Public Safety	13,485	-	-	-	-	13,485	-	13,485
Investment Income	1,228	-	-	-	-	1,228	1,383	2,611
Miscellaneous	86,309	-	-	-	-	86,309	-	86,309
Transfers-External Activity	80,000	-	-	-	-	80,000	-	80,000
Transfers-Internal Activity	(178,955)	-	-	-	-	(178,955)	178,955	-
Total general revenues and transfers	2,050,256	-	-	-	-	2,050,256	180,338	2,230,594
Changes in Net Assets	953,326	-	-	-	-	953,326	136,920	1,090,247
Net Position - Beginning	4,331,971	-	-	-	-	4,331,971	12,898,256	17,230,227
Prior Period Adjustment	-	-	-	-	-	-	166,664	166,664
Net Position - Ending	5,285,297	-	-	-	-	5,285,297	13,201,840	18,487,138

See accompanying notes to the basic financial statements.

**GOVERNMENTAL
STATEMENTS**

CITY OF ANTLERS, OKLAHOMA
STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS - CASH BASIS
JUNE 30, 2021

	General Fund	Other Funds	Total
ASSETS			
Cash and cash equivalents	\$ 617,946	\$ 306,464	\$ 924,409
Accounts receivable	-	-	-
Total Unrestricted Assets	617,946	306,464	924,409
Restricted cash and cash equivalents	252,151	-	252,151
Capital Assets			
Land, inexhaustible assets and construction-in-process	-	-	-
Other capital assets, net of accumulated depreciation	252,151	-	252,151
Total Restricted Assets	870,097	306,464	1,176,561
Total Assets			
LIABILITIES			
Due to Other Funds/Governmental Entities	-	-	-
Compensated Absences	-	-	-
Long-term debt			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total Liabilities	-	-	-
NET POSITION			
Non-Spendable:			
Invested in Capital Assets, net of debt	-	-	-
Restricted			
Capital Outlay	-	80,181	80,181
Committed			
911 Fund	-	4,687	4,687
Cemetery Fund	-	9,005	34,387
Tourism Fund		34,387	
Assigned			
Library	-	9,827	9,827
Street & Alley	-	166,966	166,966
Senior Citizens	-	1,411	1,411
General Fund - EMS/Fire/Ambulance	252,151	-	252,151
Unrestricted			
General Fund	617,946	-	617,946
Total Net Position	870,097	306,464	1,176,561

Reconciliation to Statement of Net Assets:

Capital assets	4,071,473
Taxes Receivable Accrued at year end	74,448
Compensated Absences not accrued on fund statements	(28,179)
	<u>\$ 5,285,297</u>

See accompanying notes to the basic financial statements,

CITY OF ANTLERS, OKLAHOMA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

	General Fund	Other Funds	Total
Revenues:			
Taxes	\$ 1,790,886	\$ 641,644	\$ 2,432,530
Intergovernmental	767,066	19,027	786,093
Charges for services	756,420	5,493	761,913
Fines and forfeitures	108,473	114,606	223,079
Licenses and permits	1,211	-	1,211
Investment income	898	330	1,228
Miscellaneous	100,729	71,237	171,966
Total Revenues	<u>3,525,683</u>	<u>852,338</u>	<u>4,378,020</u>
Expenditures:			
Administration	67,865	-	67,865
City Clerk	195,635	-	195,635
Receipt Clerk	-	-	-
Police Department	611,833	-	611,833
Fire/EMS Department	828,800	-	828,800
Animal Control	-	-	-
Municipal Court	-	-	-
Public Safety	31,815	157,317	189,132
Inmate	-	-	-
Airport:	644,252	-	644,252
Cemetery	49,739	-	49,739
Streets and Alley	-	463,527	463,527
Library	57,900	24,644	82,544
Swimming Pool	-	3,288	3,288
General Government	785,223	76,557	861,780
Senior Citizens Nutrition	12,190	59,011	71,202
Total Expenditures	<u>3,285,252</u>	<u>784,344</u>	<u>4,069,597</u>
Excess (deficiency) of revenues over expenditures	240,430	67,993	308,424
Other Financing Sources			
Transfers In	59,050	145,977	205,027
Transfers Out	30,000	206,270	236,270
Total Other Financing Sources	<u>29,050</u>	<u>(60,293)</u>	<u>(31,243)</u>
Net Changes in Fund Balances	269,480	7,700	277,180
Fund Balance - Beginning	600,617	298,763	899,380
Fund Balance - Ending	<u>\$ 870,097</u>	<u>\$ 306,464</u>	<u>\$ 1,176,561</u>

Reconciliation to the Statement of Activities:

Net change in fund balances	
Compensated Abscenses not accrued on fund statements	(28,179)
Governmental Funds reported as expenditures while activities report depreciation	
Capitalized purchases	935,633
Depreciation expense	(231,307)
Changes in Net Assets of Governmental Activities	<u>\$ 953,326</u>

See Accompanying notes to the basic financial statements.

**PROPRIETARY
STATEMENTS**

CITY OF ANTLEERS, OKLAHOMA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

ASSETS	Public Works Authority		Industrial Authority	Total
	Water/Trash	Sewer		
Cash and cash equivalents	\$ 74,427	\$ 115,296	\$ 158,991	\$ 348,713
Accounts receivable	91,916	28,624	-	120,540
Total Unrestricted Assets	166,343	143,919	158,991	469,253
Cash in bank - restricted	216,466	276,867	-	493,334
Restricted for Debt Service	113,904	34,234	-	148,138
Taxes receivable	-	-	-	-
Capital Assets				
Land, inexhaustible assets and construction-in-process	49,637	-	455,030	504,667
Other capital assets, net of accumulated depreciation	11,734,257	3,536,837	1,031,988	16,303,082
Total Restricted Assets	12,114,264	3,847,938	1,487,018	17,449,220
Total Assets	12,280,607	3,991,858	1,646,009	17,918,474
LIABILITIES				
Current Portion of Long-Term Debt	168,580	97,157	20,000	285,736
Current Portion of Bonds Payable	160,000	-	-	160,000
Meter Deposit Liability	54,320	-	-	54,320
Compensated absences	11,822	-	-	11,822
Current Liabilities	394,721	97,157	20,000	511,878
Long-Term Debt	2,192,543	1,749,280	26,668	3,968,491
Long-Term Portion of Bonds Payable	522,000	-	-	522,000
Less: Current Portion of Long-Term Debt	(168,580)	(97,157)	(20,000)	(285,736)
Total Long-Term Liabilities	2,545,964	1,652,123	6,668	4,204,755
Total Liabilities	2,940,685	1,749,280	26,668	4,716,633
Invested in Capital Assets, net of debt	9,069,351	1,787,556	1,460,350	12,317,257
Restricted	276,050	311,102	-	587,152
Unrestricted	(5,479)	143,919	158,991	297,432
Total Net Position	\$ 9,339,922	\$ 2,242,577	\$ 1,619,341	\$ 13,201,840

See accompanying notes to the basic financial statements.

CITY OF ANTLERS, OKLAHOMA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

	Public Works Authority		Industrial Authority	Total
	Water/Trash	Sewer		
Revenues:				
Charges for services:				
Water	\$ 878,581	\$ -	\$ -	\$ 878,581
Sanitation	199,594	-	-	199,594
Sewer	-	354,599	-	354,599
Rental	-	-	52,610	52,610
Miscellaneous receipts	5,300	2,100	8,775	16,176
Total Revenues	<u>1,083,476</u>	<u>356,699</u>	<u>61,385</u>	<u>1,501,560</u>
Expenses:				
Administration and operations	115,144	-	-	115,144
Industrial Trust Expenditures	-	-	49,671	49,671
Water	397,280	-	-	397,280
Sewer	-	243,507	-	243,507
Sanitation	157,755	-	-	157,755
Depreciation	351,571	90,394	22,674	464,640
Total Expenses	<u>1,021,749</u>	<u>333,901</u>	<u>72,346</u>	<u>1,427,996</u>
Operating Income (Loss)	<u>61,726</u>	<u>22,798</u>	<u>(10,960)</u>	<u>73,564</u>
Non-operating revenues (expenses):				
Investment Income	1,197	5	181	1,383
Interest expense & Admin Fees	(74,310)	(42,671)	-	(116,981)
Grant Receipts	-	-	-	-
Total Non-operating Revenues (Expenses)	<u>(73,113)</u>	<u>(42,666)</u>	<u>181</u>	<u>(115,598)</u>
Net Income (Loss) before contributions and trans	(11,387)	(19,868)	(10,780)	(42,035)
Transfers in	178,955	-	-	178,955
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Assets	167,568	(19,868)	(10,780)	136,920
Net Position - Beginning	9,172,354	2,095,782	1,630,120	12,898,256
	-	166,664	-	166,664
Net Position - Ending	<u>\$ 9,339,922</u>	<u>\$ 2,242,577</u>	<u>\$ 1,619,341</u>	<u>\$ 13,201,840</u>

See Accompanying notes to the basic financial statements.

CITY OF ANTLERS, OKLAHOMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

	Public Works Authority		Industrial Authority	Total
	Water/Trash	Sewer		
Cash Flows from Operating Activities				
Receipts from customers	\$ 1,059,540	\$ 354,934	\$ 52,610	\$ 1,467,084
Other income	5,300	2,100	8,775	16,176
Payments to Suppliers	(475,573)	(161,721)	(49,671)	(686,965)
Payments to Employees	(214,000)	(81,786)	-	(295,786)
Net Cash Provided (Used) by Operating Activities	<u>375,267</u>	<u>113,527</u>	<u>11,714</u>	<u>500,508</u>
Cash Flows from Capital and Related Financing Activities				
New Fire Hydrants	-	-	-	-
Site Improvement	-	-	-	-
Grant Disbursements with City Match	-	-	-	-
Repayments of Principal from Loans	(140,938)	(85,882)	(20,000)	(246,821)
Repayment of Bond Principle	(160,000)	-	-	(160,000)
Interest Paid on Debt	(74,310)	(42,671)	-	(116,981)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(375,248)</u>	<u>(128,554)</u>	<u>(20,000)</u>	<u>(523,802)</u>
Cash Flows from Investing Activities				
Investment Receipts	1,197	5	181	1,383
Transfers	83,280	75,073	-	158,353
Cash Flows provided (Used) by Investing Activities	<u>84,477</u>	<u>75,078</u>	<u>181</u>	<u>159,736</u>
Net Increase (Decrease) In Cash	84,496	60,051	(8,106)	136,441
Cash, Beginning of Fiscal Year	320,301	366,346	167,097	853,744
Total Cash, End of Year	<u>\$ 404,797</u>	<u>\$ 426,397</u>	<u>\$ 158,991</u>	<u>\$ 990,185</u>

Reconciliation of Net Income to Net Cash Provided (Used) by Operating Activities:

Operating Loss	\$ 61,726	\$ 22,798	\$ (10,960)	\$ 73,564
Adjustments to reconcile Net Income to Net Cash				
Depreciation	351,571	90,394	22,674	464,640
Gain on Sale of Land	-	-	-	-
(Increase) Decrease in Accounts Receivable	(18,635)	334	-	(18,301)
Increase (Decrease) in Accrued Expenses	<u>(19,395)</u>	<u>-</u>	<u>-</u>	<u>(19,395)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 375,267</u>	<u>\$ 113,527</u>	<u>\$ 11,714</u>	<u>\$ 500,508</u>

See Accompanying notes to the basic financial statements.

Notes to Financial Statements
City of Antlers
June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Antlers, Oklahoma operates under a council-manager form of government with an elected five-member Council. In defining the reporting entity for financial reporting purposes, management has considered potential component units by applying criteria set forth in Statement 14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity," as amended by Statement 39 of the Governmental Accounting Standards Board, "Determining Whether Certain Organizations are Component Units."

Blended Component Unit—Antlers Public Works Authority

The Antlers Public Works Authority (PWA) was established by the Council as a Public Trust during 1979. The purpose of the Trust is to finance, develop, and operate the water, wastewater, and sanitation services or activities of the City of Antlers.

Blended Component Unit—Industrial Trust Authority

The Industrial Trust Authority was developed to finance, develop and operate a city owned property to attract or retain existing business industry.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City of Antlers (the primary government) and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component unit.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, internal service fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported typically reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the cash basis of accounting. Revenues are recognized as soon as they are both received. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within by the end of the fiscal year, June 30. Expenditures generally are recorded when paid.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This includes the Ambulance and Emergency Management Service accounts.

The Library fund is used to account for receipts and disbursements related to operation of the municipal library.

The capital outlay fund uses its receipts or revenues to maintain and operate the City's capital assets.

The 911 Fund accounts for the receipts and expenditure of 911 fees and expenses.

The Cemetery Fund uses it receipts from charges for services for the maintenance and operation of the City's cemetery.

The Court fund accounts for the receipts and expenditures or expenses of the municipal court fund, which includes traffic fines.

The Seniors' Nutrition fund account for receipts and expenses of the Senior Center.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where management has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The City's enterprise fund consists of the activities of the Public Works Authority and the Industrial Trust Authority.

The City reports the following major enterprise fund:

The Public Works Authority fund accounts for the activities at the various water, wastewater, and sanitation services performed by the City.

The Industrial Trust Authority fund accounts for the receipts and expenditures to promote and retain commercial development.

The City applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARBs). As permitted by GASB No. 20, the City has elected not to follow subsequent private-sector guidance in its business-type activities and enterprise funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds and internal service fund are charges for services to customers. Operating expenses for the enterprise funds and the internal service fund include the cost of personnel, contractual services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets

1. Deposits and Investments

The City's and its component unit's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition and readily convertible to cash.

The City has established a formal Investment Policy that governs the investment of all funds other than its permanent funds, private-purpose trust funds, and agency funds. Pursuant to its Investment Policy and applicable Oklahoma law, Investments for the City and its component unit are reported at fair value. Additionally, Investments are restricted or confined to Certificate of Deposits.

2. Receivables and Payables

The City does not record receivables or payables on the face of the basic financial statements. Interfund balances are recorded as due "due to/from other funds."

3. Inventories and prepaid items

The City does not maintain or record amounts on the basic financial statements for inventory or prepaid items.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. All infrastructure, regardless of acquisition date, has been reported.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No business-type activity interest was capitalized in the current period.

Property, plant, and equipment of the primary government, as well as the component unit, is depreciated using the straight line method over the assets' estimated useful lives ranging from 5 to 50 years.

Assets	Years
Buildings	45–50
Improvements other than buildings	20
Machinery and equipment	5–20
Vehicles	5–15
Intangibles	5–20
Infrastructure	20–50

See Figure No. 1 for detail of Capital Assets.

5. Compensated Absences

Under the terms of personnel policies and union contracts, vacation and sick leave (compensated absences) are granted in varying amounts according to length of service. Certain employees also earn compensatory time. A liability for vested or accumulated vacation, sick and compensatory leave is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. All accumulated leave is accrued when incurred in the government-wide financial statements. Only vacation time is accrued as compensated absences. The City Council established a new policy that only employees that have had two years of service are eligible to receive accrued vacation time at termination.

6. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

7. Fund Equity

In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable—resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted—resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed—resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned—resources neither restricted nor committed for which a government has a stated intended use as established by the Town Council or a body or official to which the Town Council has delegated the authority to assign amounts for specific purposes.

Unassigned—resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

8. Use of Estimates

Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

9. New Pronouncements

Beginning with the fiscal year ended June 30, 2007, and continuing with these statements, the City has applied the provisions of Governmental Accounting Standards Board Statement 51. During the fiscal year ended June 30, 2010 the City has not adopted the provisions of Statements No. 45 and 54.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance—total governmental funds and net assets—governmental activities as reported in the government-wide statement of net assets.

One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.” The details of this \$4,117,742 are as follows:

Capital assets, net	\$	4,071,473
Accrued Tax Receivable		74,448
Compensated Absences		(28,179)
Net Position of Governmental Funds-Cash Basis		<u>1,167,555</u>
Net adjustment to increase fund balance—total governmental funds to arrive at net assets—governmental activities	\$	5,285,297

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances—total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$953,326 difference is as follows:

Capital outlay	\$	935,326
Net change in fund balance, cash basis of fund		277,180
Compensated Absences		(28,179)
Depreciation expense		(231,307)
Net adjustment to increase net changes in fund balances—total governmental funds to arrive at changes in net assets of governmental activities		
	\$	577,347

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

An annual budget of the General Fund is legally adopted by the City Council through the passage of an appropriation resolve. There is a difference between the budgetary basis (Cash Basis) and generally accepted accounting principles (GAAP). The legal level of budgetary control is that level of expenditure authority that may not be exceeded or reassigned without the approval of the City Council. The City Charter gives the City Manager may at any time transfer any unencumbered appropriation balance, or portion thereof, between general classifications of expenditures within an office, department or agency. Accordingly, the legal level of budgetary control is an office, department or agency. Historically, the appropriated budget for the General Fund is prepared by department or activity.

The accounting system is employed as a budgetary management control device to monitor the individual departments. The Council did not make any amended budgetary appropriations throughout the year.

All appropriations of the general fund lapse at the end of the fiscal year to the extent that they have not been expended or lawfully encumbered. Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as a designation of fund balances and do not constitute expenditures or liabilities. The commitments are re-appropriated and honored during the subsequent year.

The amounts reported as “Final Budgeted Amounts” on the Statement of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual, for the General Fund, include the adopted budget as well as prior-year encumbrances, additional appropriations and transfers.

B. State statute prohibits the use of deficit spending. No council shall operate or approve encumbrances or expenditures that result in a fund deficit for the current or future years.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Primary government:

As of June 30, 2020, the policy of the primary government is to invest in certificate of deposits, only.

Interest rate risk. The City does not currently have a policy regarding interest rate risk.

Credit risk. The City does not have a formal policy regarding credit risk. Oklahoma statutes authorize the City to invest only in certificates of deposits that are either guaranteed or fully collateralized by the financial institution that holds the deposits.

Custodial credit risk—deposits. This is the risk that in the event of a bank failure, the City’s deposits may not be returned to it.

B. Receivables

The City record receivable that are primarily various taxes that will be received in July of the following fiscal year.

The PWA records the billings at the end of the month and the receivable are primarily the June billings for utility services.

D. Interfund Balances and Transfers

The composition of interfund balances as of June 30, 2020, is as follows. The due to/from balances result from receipts and disbursements being made through the General Fund cash accounts. These balances will be eliminated when cash transfers are made to the appropriate funds. The advances are interfund loans from the general fund.

Transfers:

Receiving Fund	Disbursing Fund	Amount
Nutrition Fund	General Fund	\$23,188
General Fund	PWA Trash	36,000
General Fund	PWA Meter Fund	127
Other Governmental Units		
911 Fund	511 EMS Authority	96,000

E. Leases

The City has no operating or capital leases as of June 30, 2021 that are presented separately.

F. Long-Term Debt

Business-type long-term debt payable from net revenues generated by the utility resources pledged to the debt includes the following:

Bonds Payable:**BUSINESS-TYPE ACTIVITIES***Public Works Authority:*

General Obligation Bond; Bond is held by the Public Works Authority and funded by transfers from the Street & Alley (Governmental Fund). The Face amount of the GO Bonds is \$850,000, and was used to repair and improve the streets in the City of Antlers. The bond is paid using sales tax and is secured by the Public Works Authority. \$ 682,000

Notes Payable:**BUSINESS-TYPE ACTIVITIES***Public Works Authority:*

Oklahoma Water Resource Board (OWRB) \$2,352,000	
payable in monthly installments to a trustee, \$10,713 at 2.32%	
and pledged with sewer revenues and sales tax	\$1,749,280
Oklahoma Water Resource Board (OWRB) \$3,110,000	
Payable in monthly installments to a trustee, \$17,937 at 2.17%	
And pledged with water revenues and sales tax	\$2,192,543

Industrial Trust Authority:

Department of Commerce Note in the amount of \$400,000	
Payable in monthly installments of \$1,666.66 with interest at 0.00%	\$ 26,668

Total Notes Payable	<u>\$ 3,968,491</u>
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Notes Payable:

Public Works Authority	Beg Bal	Additions	Retirements	End Bal
OWRB Series 2013	1,836,359	0	85,882	1,749,280
OWRB Series 2014	2,333,481	0	140,936	2,192,543
 Total PWA	 4,169,840	 0	 226,818	 3,941,823
Less Current				<u>265,737</u>
				3,676,761
 Industrial Park Authority				
Department of Commerce	\$ 46,667	0	20,000	26,667
Less Current				<u>20,000</u>
				6,667

Maturities of Long-Term debt are as follows:	GO Bond	Principle
Payments due June 30, 2022	160,000	275,736
June 30, 2023	160,000	271,191
June 30, 2024	160,000	276,758
June 30, 2025	160,000	282,440
June 30, 2026	160,000	288,824
 June 30, 2027 to June 30, 2031	 42,000	 1,532,475
June 30, 2032 to June 30, 2036		935,187
June 30, 2037 to June 30, 2041		89,797

The new debt issuance with the Oklahoma Water Resources Board has a debt coverage requirement of 1.25 revenue over expenses, excluding depreciation

<u>Revenue Bond Coverage</u>	OWRB 2013	OWRB 2014
Pledged utility revenue	\$ 354,599	\$ 878,594
Pledged sales tax	227,830	227,830
 Utility operating expenses	 (333,901)	 (863,495)
Exclude depreciation	90,394	351,571
Net revenues available	338,922	594,500
Annual debt service	128,554	215,248
 Computed coverage	 2.64	 2.76
Required	1.25	1.25

G. Short-Term Debt

The City did not issue or retire any short-term debt during the fiscal year and had none outstanding at June 30, 2021.

H. Components of Fund Balances

Fund Balances are divided up into three categories; (1) Invested in capital assets, net of debt, (2) Restricted, and (3) Unrestricted.

The proprietary funds contain restricted cash amounts for customer utility deposits and other for debt service covenants.

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and other risks for which the City insurance. There have been no significant changes in insurance coverage during the past fiscal year. For the three fiscal years ended June 30, 2021, 2020 and 2019 there have been no settlements in excess of coverage.

The City belongs to the OKLAHOMA MUNICIPAL ASSURANCE GROUP (OMAG) for most of its municipal property and liability exposures.

For worker's compensation, the City and its related authorities participate in OMAG.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

At time there are various claims and suits brought against the City that arise in the normal course of the City's activities. In the opinion of counsel and Town management, the ultimate disposition of these various claims and suits will have no material effect on the financial position of the City.

C. Deferred Compensation Plan

The City offers no deferred compensation plan to its employees.

D. Employee Retirement System and Plan

The City of Antlers is contributing by ordinance a retirement fund and system designated the "Employee Retirement System of Antlers, Oklahoma" under authority granted by Oklahoma Statutes Title 11 § 48-101. The City participates with other cities in the Oklahoma Municipal Retirement System, which is a cost sharing, multiple-employer public employee retirement system (PERS).

Substantially all of the City's regular, full time employees participate in a defined contribution plan. Participants are required to contribute 3% of their covered compensation. The City contributes 3.69% of covered payroll. Participants are permitted to make voluntary deductible contributions to the plan.

The funds are credited to individual participant accounts and pooled for investment purposes through OMRF. Benefits vest after 10 years of service with normal retirement age of 65 years and early retirement at age 55 with 10 years or more of service. Upon retirement, termination of employment, disability, or death the vested portion of a participant's account is paid to the participant or beneficiary.

The City has incurred the following expenditure for the last three years as it relates to this matter:

June 30, 2019	44,790
June 30, 2020	58,721
June 30, 2021	59,842

The Employee Retirement System of Antlers, Oklahoma as July 1, 2019, the most current report, is funded at a ratio of 130%. The Net Pension Liability is \$169,003.

Per the Actuarial report for GASB 68 the City's pension plan has a balance of deferred outflows of \$54,558.

Firefighters pension plan

Contributions required and contributions made

The City makes annual contributions to the pension plan equal to the amount required by state statutes. According to Title 11, O.S. 49-122 (C) cities are to contribute \$60.00 yearly to the Oklahoma Firefighters Pension and Retirement System for each active volunteer firefighter.

The City of Antlers made contributions to Oklahoma Firefighters Pension and Retirement System during the fiscal year ended June 30, 2021. For the current fiscal year the City has made payments into the pension fund of \$14,772.

E. Other Post Employment Benefits

The City has no OPED as of June 30, 2021.

F. Overlapping Debt

The City has no overlapping debt as of June 30, 2021.

G. Quasi-Municipal Debt

The City does not have any debt or obligation that would be defined as Quasi-Municipal Debt, as of June 30, 2021.

H. Joint Venture

The City is not and has not entered into any joint ventures as of June 30, 2021.

I. Commitments

As of June 30, 2021, the City had various contractual commitments. No significant commitments are material to the financial position of the City.

J. Long-Term Receivables

The city has no long-term receivables as of June 30, 2021.

K. Subsequent Events

As of March 2, 2021, the issuance date of this report, the City has not entered into any contract or experienced any events that would have a material effect on the financials. The City is continuing work airport improvements and these improvements are being performed with Federal Aviation Administration Grants.

L. Prior Period Adjustments

The financial statements contain adjustments to the prior periods to correct the note balance on the face of the financial statements and in the notes.

CITY OF ANTLERS, OKLAHOMA
Schedule of Changes in Capital Assets

Figure 1. Continuation of Notes to The Financial Statements

	July 1, 2020	Additions	Disposals	June 30, 2021
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 81,722	\$ -	\$ -	\$ 81,722
Other inexhaustible assets	-	-	-	-
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>81,722</u>	<u>-</u>	<u>-</u>	<u>81,722</u>
Other capital assets				
Buildings	2,210,043	-	-	2,210,043
Machinery and equipment	2,165,494	287,025	-	2,452,519
Improvements	1,974,571	616,484	-	2,591,055
Total other capital assets at historical costs	<u>6,350,108</u>	<u>903,510</u>	<u>-</u>	<u>7,253,618</u>
Less accumulated depreciation for:				
Buildings	1,379,675	73,668	-	1,453,343
Machinery and equipment	1,434,775	108,275	-	1,543,050
Improvements	218,109	49,364	-	267,473
Total accumulated depreciation	<u>3,032,559</u>	<u>231,307</u>	<u>-</u>	<u>3,263,866</u>
Other capital assets, net	<u>3,317,549</u>	<u>672,202</u>	<u>-</u>	<u>3,989,751</u>
Governmental activities capital assets, net	<u>\$ 3,399,271</u>	<u>\$ 672,202</u>	<u>\$ -</u>	<u>\$ 4,071,473</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	504,667	-	-	504,667
Other	-	-	-	-
Construction in progress	10,987	-	10,987	-
Total capital assets not being depreciated	<u>515,654</u>	<u>-</u>	<u>10,987</u>	<u>504,667</u>
Other capital assets				
Buildings	746,210	-	-	746,210
Ethanol Plant	74,053	-	-	74,053
Machinery and equipment	884,440	-	-	884,440
Improvements	19,592,069	1,177,957	-	20,770,026
Total other capital assets at historical costs	<u>21,296,772</u>	<u>1,177,957</u>	<u>-</u>	<u>22,474,728</u>
Less accumulated depreciation for:	-			-
Buildings	575,268	24,874	-	600,142
Ethanol Plant	48,928	3,703	-	52,631
Machinery and equipment	978,085	44,222	-	1,022,307
Improvements	4,104,726	391,841	-	4,496,567
Total accumulated depreciation	<u>5,707,007</u>	<u>464,640</u>	<u>-</u>	<u>6,171,647</u>
Other capital assets, net	<u>15,589,765</u>	<u>713,317</u>	<u>-</u>	<u>16,303,082</u>
Business-type activities capital assets, net	<u>\$ 16,105,419</u>	<u>\$ 713,317</u>	<u>\$ 10,987</u>	<u>\$ 16,807,749</u>

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council
City of Antlers, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Antlers, State of Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Antlers, State Oklahoma's basic financial statements and have issued our report thereon dated March 2, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Antlers, State of Oklahoma's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Antlers, State of Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Antlers, State of Oklahoma's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items

2021-01; The books and records of the City were not properly maintained regarding the reporting of Grant Receipts and Grant Disbursements. We found instances where grant disbursements were used to decrease the account balance of certain grant receipts.

City of Antlers
November 30, 2020

2021-02; The City has not adopted the prescribed pension reporting. This affects the face of the financial statements and the notes to the financials.

2021-03; The City did not properly record the subsequent changes to the City's Budget within the books and records of the City.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Antlers, State of Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items.


2021-01; The books and records of the City were not properly maintained regarding the reporting of Grant Receipts and Grant Disbursements. We found instances where grant disbursements were used to decrease the account balance of certain grant receipts.

City of Antlers, State of Oklahoma's Response to Findings

City of Antlers, State of Oklahoma's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Antlers, State of Oklahoma's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Watonga, Oklahoma
March 2, 2022

SUPPLEMENTAL INFORMATION

CITY OF ANTLERS, OKLAHOMA
Budgetary Comparison Schedule General Fund--Cash Basis
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ 541,969	\$ 541,969
Resources (Inflows):				
Taxes:				
Franchise Tax	79,000	79,000	68,842	(10,158)
Sales Tax	1,688,000	1,688,000	1,594,811	(93,189)
Use Tax	120,000	120,000	108,000	(12,000)
Occupation Tax	5,000	5,000	4,282	(718)
Tobacco Tax	16,000	16,000	14,951	(1,049)
Total Taxes	1,908,000	1,908,000	1,790,886	(117,114)
Intergovernmental:				
Alcoholic Beverage Tax	195,000	195,000	183,888	(11,112)
Payment in Lieu of Taxes	9,000	9,000	7,683	(1,317)
Grants	-	-	575,495	575,495
Investment Income	800	800	898	98
Miscellaneous Income				
Cemetery	11,700	11,700	13,228	1,528
Animal Control	2,400	2,400	1,571	(829)
Rental Receipts	11,125	11,125	12,555	1,430
Airport Receipts	20,470	20,470	13,817	(6,653)
Police Fines	150,000	150,000	106,999	(43,001)
Fire/EMS Receipts	866,586	866,586	756,420	(110,166)
Library Fines	2,500	2,500	1,474	(1,026)
Licenses and Permits	4,250	4,250	1,211	(3,039)
Miscellaneous	5,400	5,400	61,129	55,729
Other Financing Sources:				
Transfer from Other Governments	96,000	96,000	80,000	(16,000)
Transfer from Other Funds	39,160	39,160	36,127	(3,033)
Amounts available for appropriations	<u>3,322,391</u>	<u>3,322,391</u>	<u>4,185,349</u>	<u>862,958</u>

CITY OF ANTLERS, OKLAHOMA
Budgetary Comparison Schedule General Fund—Cash Basis
For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive (Negative)</u>
Administration				
Personal Services	60,600	60,600	61,768	1,168
Maintenance and Operations	3,200	3,200	6,097	2,897
Capital Outlay	-	-	-	-
	<u>63,800</u>	<u>63,800</u>	<u>67,865</u>	<u>4,065</u>
City Clerk/Finance				
Personal Services	122,350	122,350	126,172	3,822
Maintenance and Operations	66,500	66,500	69,462	2,962
Capital Outlay	-	-	-	-
	<u>188,850</u>	<u>188,850</u>	<u>195,635</u>	<u>6,785</u>
Police Department				
Personal Services	350,000	350,000	399,176	49,176
Maintenance and Operations	56,750	56,750	56,961	211
Capital Outlay	45,000	45,000	155,696	110,696
	<u>451,750</u>	<u>451,750</u>	<u>611,833</u>	<u>160,083</u>
Fire/EMS Department				
Personal Services	573,500	573,500	556,073	(17,427)
Maintenance and Operations	183,500	183,500	157,290	(26,210)
Capital Outlay	200,000	200,000	115,438	(84,562)
	<u>957,000</u>	<u>957,000</u>	<u>828,800</u>	<u>(128,200)</u>
Building Inspection/Public Safety				
Personal Services	33,800	33,800	21,935	(11,865)
Maintenance and Operations	-	-	9,880	9,880
Capital Outlay	-	-	-	-
	<u>33,800</u>	<u>33,800</u>	<u>31,815</u>	<u>(1,985)</u>
Airport				
Maintenance and Operations	32,300	32,300	27,767	(4,533)
Capital Outlay	193,000	193,000	616,484	423,484
	<u>225,300</u>	<u>225,300</u>	<u>644,252</u>	<u>418,952</u>

CITY OF ANTLERS, OKLAHOMA
 Budgetary Comparison Schedule General Fund--Cash Basis
 For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Cemetery				
Personal Services	-	-	46,222	46,222
Maintenance and Operations	1,500	1,500	3,517	2,017
Capital Outlay	-	-	-	-
	<u>1,500</u>	<u>1,500</u>	<u>49,739</u>	<u>48,239</u>
Library				
Personal Services	55,700	55,700	51,697	(4,003)
Maintenance and Operations	11,100	11,100	6,203	(4,897)
Capital Outlay	-	-	-	-
	<u>66,800</u>	<u>66,800</u>	<u>57,900</u>	<u>(8,900)</u>
General Government				
Workers Comp	35,500	35,500	26,129	(9,371)
Utilities/Street Lamps	40,000	40,000	41,465	1,465
Utilities/Park	8,000	8,000	6,830	(1,170)
Park Maintenance	2,500	2,500	1,092	(1,408)
Cleaning Services	24,000	24,000	17,974	(6,026)
Tax Transfers	250,000	250,000	227,830	(22,170)
County Hospital	500,000	500,000	455,660	(44,340)
Building Maintenance	3,000	3,000	8,241	5,241
Miscellaneous	-	-	-	-
	<u>863,000</u>	<u>863,000</u>	<u>785,223</u>	<u>(77,777)</u>
Seniors Citizens Nutrition				
Maintenance and Operations	20,000	20,000	12,190	(7,810)
Capital Outlay	-	-	-	-
	<u>20,000</u>	<u>20,000</u>	<u>12,190</u>	<u>(7,810)</u>
Other Financing Uses:				
Transfers to other funds	46,000	46,000	30,000	(16,000)
Total Charges to Appropriations	<u>2,917,800</u>	<u>2,917,800</u>	<u>3,315,252</u>	<u>397,452</u>
Ending Budgetary Fund Balance	<u>404,591</u>	<u>404,591</u>	<u>\$ 870,097</u>	<u>\$ 465,506</u>

CITY OF ANTLERS, OKLAHOMA
STATEMENT OF NET ASSETS - COMBINING OF OTHER FUNDS
GOVERNMENTAL FUNDS - CASH BASIS
JUNE 30, 2021

	Library Funds	Capital Outlay	Splash Pad	911 Fund	Street & Alley	Senior Nutrition	Cemetery Fund	Tourism	Municipal Court Fund	Total Other Funds
ASSETS										
Cash and cash equivalents	\$ 9,827	\$ 80,676	\$ (495)	\$ 4,687	\$ 166,966	\$ 1,411	\$ 9,005	\$ 34,387	\$ -	\$306,464
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
Capital Assets										
Land, inexhaustible assets and construction-in-process	-	-	-	-	-	-	-	-	-	-
Other capital assets, net of accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Total Assets	9,827	80,676	(495)	4,687	166,966	1,411	9,005	34,387	-	306,464
LIABILITIES										
Accrued expenses	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
Compensated Absences	-	-	-	-	-	-	-	-	-	-
Long-term debt	-	-	-	-	-	-	-	-	-	-
Due within one year	-	-	-	-	-	-	-	-	-	-
Due in more than one year	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-	-	-	-
NET ASSETS										
Invested in Capital Assets, net of debt	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Other	9,827	80,676	(495)	4,687	166,966	1,411	9,005	34,387	-	306,464
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total Net Assets	9,827	80,676	(495)	4,687	166,966	1,411	9,005	34,387	-	306,464

See accompanying notes to the basic financial statements,

CITY OF ANTLERS, OKLAHOMA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - CASH BASIS
COMBINED OTHER FUNDS

	Library	Capital Outlay	Splash Pad	911 Fund	Street & Alley	Senior Nutrition	Cemetery Fund	Tourism	Municipal Court Fund	Total Other Funds
Revenues:										
Taxes	\$ -	\$ 229,109	\$ -	\$ 12,690	\$ 381,016	\$ -	\$ -	\$ 18,830	\$ -	\$ 641,644
Intergovernmental	-	-	-	-	19,027	-	-	-	-	19,027
Charges for services	-	-	-	-	-	-	5,493	-	-	5,493
Fines and forfeitures	-	-	-	-	-	-	-	-	114,606	114,606
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Investment income	-	64	-	30	236	-	-	-	-	330
Miscellaneous	25,709	923	-	795	-	42,837	-	-	973	71,237
Total Revenues	25,709	230,096	-	13,515	400,279	42,837	5,493	18,830	115,579	852,338
Expenditures:										
City Clerk	-	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-	-	-	-
Police Department	-	-	-	-	-	-	-	-	-	-
Fire Department	-	-	-	-	-	-	-	-	-	-
EMS/Ambulance	-	-	-	-	-	-	-	-	-	-
Animal Control	-	-	-	-	-	-	-	-	-	-
Municipal Court	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	138,937	-	-	-	-	18,380	157,317
City Bus	-	-	-	-	-	-	-	-	-	-
Inmate	-	-	-	-	-	-	-	-	-	-
Airport	-	-	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-	-	-
Streets and Alley	-	-	-	-	463,527	-	-	-	-	463,527
Library	24,644	-	-	-	-	-	-	-	-	24,644
Swimming Pool/Splash Pad	-	-	3,288	-	-	-	-	-	-	3,288
General Government	-	72,168	-	-	-	-	-	4,389	-	76,557
Senior Citizens Nutrition	-	-	-	-	-	59,011	-	-	-	59,011
Total Expenditures	24,644	72,168	3,288	138,937	463,527	59,011	-	4,389	18,380	784,344
Excess (deficiency) of revenues over expenditures	1,066	157,928	(3,288)	(125,422)	(63,248)	(16,174)	5,493	14,441	97,199	67,993
Other Financing Sources										
Transfers In	-	-	31,072	99,500	-	15,406	-	-	-	145,977
Transfers Out	-	109,072	-	-	-	-	-	-	97,199	206,270
Total Other Financing Sources	-	(109,072)	31,072	99,500	-	15,406	-	-	(97,199)	(60,293)
Net Changes in Fund Balances	1,066	48,856	27,784	(25,922)	(63,248)	(768)	5,493	14,441	-	7,700
Fund Balance - Beginning	8,761	31,820	(28,279)	30,609	230,214	2,179	3,513	19,946	-	298,763
Fund Balance - Ending	\$ 9,827	\$ 80,676	\$ (495)	\$ 4,687	\$ 166,966	\$ 1,411	\$ 9,005	\$ 34,387	\$ -	\$ 306,464

See Accompanying notes to the basic financial statements.

CITY OF ANTLERS

PUSHMATAHA COUNTY, OKLAHOMA

EIN NUMBER: 43-1757115

DUNS NUMBER: 557582736

SINGLE AUDIT

UNDER THE OMB CIRCULAR A-133

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Auditor: William K. Gauer

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License Number: Oklahoma License No. 15637

Firm Name: William K. Gauer, C.P.A.

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WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA

CITY OF ANTLEERS, OKLAHOMA
Pushmataha County, Oklahoma
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2021

Federal/State Grantor Pass through Grantor Program Title	Federal CDFA Number	Pass- Through Grantor's Number	Program or Award Amount	Cash/ Accrued or (Deferred) Revenue at July 1, 2020	Contract Receipts or Revenue Recognized	Contract Disbursements/ Expenditures	Interest Earned Federal Funds	Match Receipts or Revenue Recognized	Match Disbursements/ Expenditures	Cash/ Accrued or (Deferred) Revenue at June 30, 2021
Federal Aviation Administration										
3-40-0010-008-2018				-	302,814 313,670	302,814 313,670	- -	- 15,938	- 15,938	- -
CARES Act Funding										
Covid Relief -					177,138	177,138	-	-	-	-
Total Federal Programs			-	-	793,622	793,622	-	15,938	15,938	-
State of Oklahoma:										
State Aid - Library			-	-	22,672	22,672	-	-	-	-
Department of Ag - Fire Department			-	-	4,826	4,826	-	-	-	-
Health Department Grant			-	-	60,475	60,475	-	-	-	-
Total State Programs			-	-	87,973	87,973	-	-	-	-
Total All Programs			-	-	881,595	881,595	-	15,938	15,938	-

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditors' report.

CITY OF ANTLERS, OKLAHOMA
Pushmataha County, Oklahoma
Schedule of Findings and Questioned Costs
June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	Modified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	_____ X _____ no	
Reportable condition(s) identified not considered to be material weaknesses?	_____ X _____ yes	_____ no	
Noncompliance material to financial statements noted?	_____ yes	_____ X _____ no	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ X _____ yes	_____ no	
Reportable condition(s) identified not considered to be material weaknesses?	_____ X _____ yes	_____ no	
Type of auditor's report issued on compliance for major programs:	Modified		
Any audit findings disclosed that are required to be reported in accordance with Circular A-122, Section .510(a)?	_____ yes	_____ X _____ no	
Identification of major programs:	<u>CFDA</u>	<u>Expenditures</u>	
FAA: Airport Grant	20.106	\$ 302,814.20	
FAA: Airport Grant	20.106	313,670.29	
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000		
Auditee qualified as low-risk auditee?	_____ yes	_____ X _____ no	

Section II - Financial Statement Findings

- Significant Deficiency
1. Grant Disbursements booked as Reduction in Grant Receipts
 2. Budgetary Adjustments not shown or updated in Books
 3. Accounting for Retirement liabilities not properly shown on face of the financial statements or notes.

Section III - Federal Award Findings and Questioned Costs

1. Grant Disbursements booked as Reduction in Grant Receipts

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council
City of Antlers, State of Oklahoma

Report on Compliance for Each Major Federal Program

We have audited the City of Antlers, State of Oklahoma's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the City of Antlers, State of Oklahoma's major federal programs for the year ended June 30, 2021. City of Antlers, State of Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of X, State Y's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of X, State Y's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the City of Antlers, State of Oklahoma's compliance.

Basis for Qualified Opinion on FAA Airport Grant

As described in the accompanying schedule of findings and questioned costs, the City of Antlers, State of Oklahoma did not comply with requirements regarding a major program with the FAA (Federal Aviation Administration) Grant. Compliance with such requirements is necessary, in our opinion, for the City of Antlers, State of Oklahoma to comply with the requirements applicable to that program.

Qualified Opinion on FAA Airport Grant

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City of Antlers, State of Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on FAA Airport Grant for the year ended June 30, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City of Antlers, State of Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items. Our opinion on each major federal program is not modified with respect to these matters.

2021-01: The maintained its books and records (general ledger) as it related to certain grant reporting by grouping the Grant Receipts and Disbursements within the same account. This can mislead the reviewer that the City has not disbursed the Federal Funds that require the A-133 Single Audit compliance reporting.

City of Antlers, State of Oklahoma's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Antlers, State of Oklahoma's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the City of Antlers, State of Oklahoma, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Antlers, State of Oklahoma's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Antlers, State of Oklahoma's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a

combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items to be material weaknesses.

2021-01; Grouping of Grant Receipts and Disbursements within same reporting account. FAA Airport Grant

2021-02; Grouping of Grant Receipts and Disbursements within same reporting account. CAREs Act Grant


A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items to be significant deficiencies.

2021-01; Grouping of Grant Receipts and Disbursements within same reporting account. FAA Airport Grant

2021-02; Grouping of Grant Receipts and Disbursements within same reporting account. CAREs Act Grant

City of Antlers, State of Oklahoma's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Antlers, State of Oklahoma's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Watonga, Oklahoma
March 2, 2022